

## Message Text

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DRAFTED BY: EB/IFD/BP:WBLOCKWOOD  
APPROVED BY: EB/IFD/BP:HJWINTER  
L/EB:SBOND  
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P R 172114Z DEC 76  
FM SECSTATE WASHDC  
TO AMEMBASSY OTTAWA PRIORITY  
INFO USMISSION OECD PARIS

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C O R R E C T E D COPY (PARA ONE LINE TWELVE OMMITTED)

EO 11652: NA  
TAGS: ETRD CAN  
SUBJECT: ANTITRUST: GRAND JURY INVESTIGATION OF THE  
PAPER INDUSTRY

1. ON DECEMBER 17 THE DEPARTMENT RECEIVED FROM THE  
DEPARTMENT OF JUSTICE (DOJ) THE FOLLOWING LETTER NOTIFI-  
CATION OF A GRAND JURY INVESTIGATION OF THE PAPER INDUSTRY:

-- QUOTE: THIS IS TO ADVISE YOU THAT A FEDERAL GRAND  
JURY EMANELLED IN THE EASTERN DISTRICT OF PENNSYLVANIA  
WILL CONDUCT AN INVESTIGATION OF THE PAPER INDUSTRY.

-- THE PHILADELPHIA GRAND JURY WILL FOCUS ON POSSIBLE  
VIOLATIONS OF THE SHERMAN ANTITRUST ACT, SEEKING INFOR-  
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MATION ON THE FORMATION AND IMPLEMENTATION OF AGREEMENTS  
AND CONSPIRACIES IN RESTRAINT OF UNITED STATES TRADE IN  
THE PRODUCTION AND DISTRIBUTION OF PAPER. THIS INVESTI-  
GATION IS IN A VERY PRELIMINARY STAGE. WHILE CONDUCT BY  
UNITED STATES ENTITIES WITHIN U.S. MARKETS IS THE CENTRAL  
FOCUS, IT IS ALWAYS POSSIBLE THAT FIRMS OR INDIVIDUALS IN  
OTHER PAPER PRODUCING NATIONS MAY BECOME INVOLVED.

-- CANADA HAS SUBSTANTIAL PAPER PRODUCTION, SOME OF

WHICH IS EXPORTED TO THE U.S., THUS IT IS POSSIBLE THAT  
CANADIAN ENTITIES OR INDIVIDUALS MAY COME WITHIN THE  
JURY'S INQUIRY AS IT PROCEEDS. ACCORDINGLY, YOU MAY  
WISH TO ADVISE THE CANADIAN GOVERNMENT OF THE FACT OF  
THIS INVESTIGATION UNDER THE 1967 O.E.C.D. COUNCIL RECOM-  
MENDATION. END QUOTE.

2. IN ADDITION DOJ INFORMED THE DEPARTMENT THAT  
SUBPOENAS WERE ISSUED TO SEVERAL U.S. CORPORATIONS ABOUT  
THREE WEEKS AGO. ALTHOUGH THE MAJOR PORTION OF THE DATA  
SOUGHT IS IN THE U.S., INFORMATION HAS BEEN REQUESTED  
FROM THE INTERNATIONAL PAPER COMPANY AND CROWN  
ZELLERBACH CORPORATION, BOTH OF WHICH HAVE SUBSIDIARIES  
AND PRODUCTION IN CANADA. THE DOJ SPOKESMAN SAID THAT  
IF IT IS NOT POSSIBLE TO FULLY RESPOND TO THE SUBPOENAS  
FROM U.S. SOURCES, IT IS LIKELY THAT SOME INFO WILL BE  
REQUESTED FROM CANADIAN SOURCES IN THE CASE OF THESE  
TWO COMPANIES.

3. DOJ HAS, PURSUANT TO MITCHELL-BASFORD, NOTIFIED  
MR. BERTRAND OF CCA OF THIS INVESTIGATION. REQUEST  
THAT THE EMBASSY NOTIFY APPROPRIATE GOC AUTHORITIES.  
KISSINGER

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<< END OF DOCUMENT >>

## Message Attributes

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**Capture Date:** 16 SEP 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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